

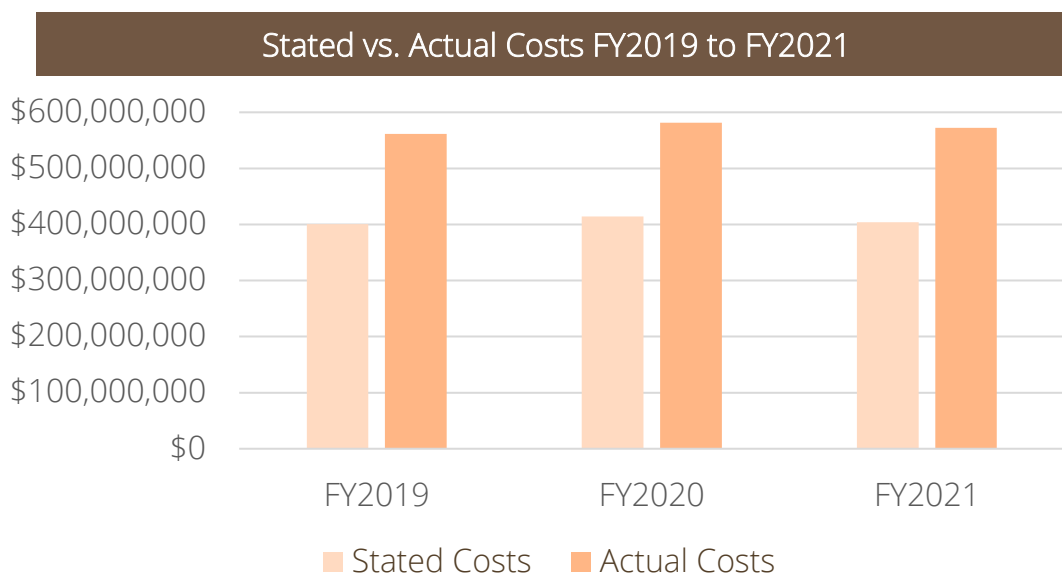
REVEALING THE HIDDEN COSTS OF POLICING IN BOSTON

OVERVIEW

How much does policing cost the City of Boston? While the stated Boston Police Department (BPD) budget was just over **\$404 million** in FY2021, this estimate does not incorporate **hidden costs** to the city, including pension pay-ins and health insurance costs. After incorporating these hidden costs, the actual cost of operating BPD was over **\$572 million**. The purpose of this issue brief is to provide a general methodology for calculating the **total costs** of policing in Boston between FY2019-FY2021, including pension and health insurance costs that fall outside the BPD operational budget. Using the methodology outlined below, this section breaks down the stated vs. actual costs associated with policing in Boston for FY2019, FY2020, and FY2021. Findings indicate that close to **one-third of actual costs are hidden costs each year**.

Summary of the Hidden Costs			
	FY2019	FY2020	FY2021
Pension Costs	\$116,190,508	\$112,914,965	\$124,740,352
Health Insurance Costs	\$45,098,442	\$44,537,084	\$43,353,185
Total Hidden Costs	\$161,288,950	\$167,452,049	\$168,093,537

CfJ values investments in the health care and pensions of municipal employees, and we think those investments should continue, including for police officers. That said, these expenses need to be recognized and counted when considering the totality of the size and scope of the BPD budget.



METHODOLOGY | CALCULATING HIDDEN COSTS

Health Insurance Costs: Though some fringe benefits are stated in BPD's budget, health insurance costs are listed as a single expenditure on the city budget for all city employees.¹ For the purposes of this analysis, the proportion of this citywide expenditure allocated toward BPD health insurance is calculated using the same fraction of citywide payroll that is allocated toward BPD payroll. In other words, because BPD payroll makes up roughly 21% of the city's overall payroll costs (\$384M out of \$1.8B in FY2020), we estimate the health insurance costs for BPD staff to be \$44,537,084 in FY2020, or 21% of the total amount paid.

Pension Costs: Like health insurance, pension costs are not reflected in the BPD operating budget. Instead, they are incorporated into citywide budget documentation, where pension costs for all employees, regardless of department, are listed as one line item.² For the purposes of this analysis, the share of the city's pension pay-in made on behalf of police staff is estimated to be the fraction of non-teacher payroll allocated to police. This is because teacher pensions costs are covered by the State rather than the City.³ In other words, the overall pension payment the city made for all non-teacher employees was \$263M in 2019. Because BPD payroll made up 43.8% of all non-teacher employee payments (\$384M out of \$879M in FY2020), we calculated the proportion of police pension contribution to be \$122M out of \$280M in FY2020.

Total Costs: Total hidden costs are thus the sum of Police Pension Costs and Police Health Insurance Costs. The actual costs of policing are calculated by adding these hidden costs to stated costs from budget documents.

IMPLICATIONS

A 2020 analysis from the ACLU of Massachusetts reported that BPD budget "dwarfs not only other City departments," but "entire City cabinets." For example, the budget is 2.7 times larger than the Cabinet of Health and Human Services, which constitutes 9 individual departments,

¹ Analyze Boston, **Employee Earnings Report**, <https://data.boston.gov/dataset/employee-earnings-report>.

² City of Boston Operating Budget FY 2020, <https://www.boston.gov/sites/default/files/embed/file/2019-09/2-volume-1-operating-budget.pdf>.

³ City of Boston, **2020 Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2020**, pages 54-55, https://www.boston.gov/sites/default/files/file/2021/01/Final%20CAFR_1_28_21.pdf.

and 4 times larger than the Public Health Commission.⁴ A 2021 ACLU analysis showed more of the same trends.⁵

Over 12% of city funds are budgeted for the BPD operational budget each year (\$414M out of \$3.49B in FY2020). When we add in the hidden costs above, we see that policing in Boston costs more than 17% of total city expenditures.

In conclusion, we greatly value investments in health and pension benefits for municipal employees, including police officers. Indeed, healthcare is an important human right. However, policymakers considering the cost of operating a police department should consider costs both inside and outside the police department operational budget.

RECOMMENDATIONS

- ◆ References to the cost of policing in Boston—and elsewhere—should incorporate both the stated and hidden costs discussed in this memo. Policymakers and advocates in cities and towns throughout the Commonwealth should consider making similar calculations of their departments. Further research and analysis should also be conducted to calculate the hidden costs of agencies across the entire criminal legal system.
- ◆ Though a basic framework was provided here, the City of Boston should build upon these findings to regularly release calculations of the full costs of policing, enabling more effective evaluations of policy options and programs associated with community safety.

⁴ ACLU of Massachusetts, **Unpacking the Boston Police Budget**, <https://data.aclum.org/2020/06/05/unpacking-the-boston-police-budget/>, June 2020.

⁵ ACLU of Massachusetts, **More of the Same: Unpacking the 2022 Boston Police Budget**, <https://data.aclum.org/2021/05/06/more-of-the-same-unpacking-the-2022-boston-police-budget/>, May 2021.

DATA SOURCES

Operating Budget: Several documents from the Current and Past Fiscal Year Budgets repository are used to calculate the BPD budget each year:

- ◆ The “[Operating Budget](#)” document provides an overview of citywide expenditures, and puts into context how these costs have changed year to year across agencies.⁶
- ◆ The “[Public Safety](#)” document provides detailed yearly operating budget information for the Public Safety Cabinet, which includes Emergency Management, the Fire Department, and the Police Department.⁷

Payroll: The [Employee Earnings Report](#) provides yearly data on total compensation for employees of the City. This includes base salary, overtime, and total compensation for BPD employees.⁸

ABOUT THE SERIES

This report is part of Cfjj’s Municipalities Project, a series of reports and issue briefs that analyze municipal policies and data in Massachusetts that impact the lives of children and youth. The Municipalities Project explores issues of racial bias in local law enforcement policies, and queries whether municipal policies and practice send young people into the juvenile or criminal justice systems and/or present undocumented youth to federal immigration authorities for deportation. Earlier Cfjj reports with a municipal focus include: “[We Are The Prey](#)” which analyzes policing practices that disproportionately target Black youth in New Bedford, MA, and “[Too Blue](#)” which analyzes City of Boston police incident data. Cfjj has also mapped out [school discipline disparities](#) in Gateway Cities, and performs an oversight function by conducting research to ensure that state-level legislative reform is being implemented at the local level.

AUTHORS

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⁶ Available at https://www.boston.gov/sites/default/files/embed/file/2019-09/2-volume_1_-_operating_budget.pdf

⁷ Available at https://www.boston.gov/sites/default/files/embed/file/2019-04/v3_11-19_a_public-safety-cabinet.pdf

⁸ Available at <https://data.boston.gov/dataset/employee-earnings-report>



CITIZENS FOR JUVENILE JUSTICE

Founded in 1994, Citizens for Juvenile Justice (CfJJ) is the only independent, non-profit, statewide organization working to improve the juvenile justice system in Massachusetts. As an independent research and policy organization, we are uniquely positioned to understand and advocate for the whole system – juvenile justice and the other child- and youth-serving systems that often feed into juvenile justice. We don't represent young people in individual legal matters. Instead, we try to change the way the entire system operates. We advocate for smart policies that prevent crime, help youth develop into responsible adults, and use resources wisely. Our work includes advocacy with the legislature and the executive agencies, research, convening and coalition building, public education and media outreach.

CfJJ's mission is to advocate for statewide systemic reform that achieves equitable youth justice. This includes fair and effective systems that promote positive development and successful outcomes for young people. CfJJ works to ensure that Massachusetts includes kids in the juvenile system who are currently consigned to the adult system, keeps kids out of the juvenile system who don't belong there, and treats youth who are in the system fairly and effectively. Our goal is to ensure not just a fair and effective juvenile justice system, but fair and developmentally appropriate child-serving systems that prevent vulnerable youth from entering the juvenile justice system.